(b) if so, the details thereof; and

(c) whether Government propose to introduce new schemes to increase the amount of agricultural loans to the poor sections of the society?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Nationalised banks have provided agricultural loans amounting to Rs. 4076.30 crore and 2625.18 crore in the State of Tamil Nadu during the years 2003-04 and 2004-05 (upto September, 2004) respectively.

(c) The Government announced a special farm credit/package on 18th June, 2004 to double the flow of credit to agriculture in the next three years. In order to increase agricultural loans to poor sections of the society, the following measures have been taken by the Government:-

- Banks have been advised to bring in atleast 100 new farmers per rural and semi urban branch under bank credit;
- A target of bringing in nearly a lakh of tenant farmers/oral lessees and share croppers within the banking fold has been kept;
- Banks have been advised to review all cases of small and marginal farmers where credit has been denied on the sole ground that a loan account was settled through compromise or write offs as per the Reserve Bank of India directive; and
- Banks have also been advised to advance loans to farmers who face acute distress because of heavy burden of debt from non-institutional lenders and to provide them relief from indebtedness against appropriate collateral or group security.

Merger of private banks with nationalised banks

2845. SHRI E.M. SUDARSANA NATCHIAPPAN : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a proposal is before Government to merge many small private banks with nationalised banks;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) Does not arise.

(c) Government has indicated that it would consider specific proposals from nationalised banks as emanating from the management of the banks themselves with Government playing a supportive role as the common shareholder.

Guidelines for FII investment in stocks and shares

2846. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) what are the guidelines and regulations in respect of FII investment in stocks and shares in the country;

(b) whether Government are considering to impose a tax on FIIs to curb volatility in the stock market and whether FIIs would be screened to ensure quality of their inflows;

(c) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Securities and Exchange Board of India has informed that FII investments in Indian securities markets are governed and regulated by the following:-

(i) the provisions of Securities and Exchange Board of India Act, 1992;

(ii) Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;

(iii) the provisions of Foreign Exchange Management Act, 1999.

FIIs are also required to ensure compliance with the guidelines/directives/ instructions etc. issued by SEBI or the Reserve Bank of India or the Government of India from time to time relating to the activities carried on by them.

(b) Government is not presently considering imposition of tax on FIIs. Regarding ensuring qualities of inflows, Acts, regulations, instructions and guidelines mentioned in reply to part (a) above have to be followed by FIIs.

(c) Does not arise.